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PRESS RELEASE**L'OBSERVATOIRE CETELEM DE LA CONSOMMATION 2023****“From forced choice to smart purchase – A low cost to suit everyone”***A survey conducted in 15 European countries on a sample of 14,200 people****Low-cost consumption:
a choice now made by nearly 6 out of 10 French consumers***

Inflation, an ally of the low-cost market. Two very striking statistics set the tone for the 2023 edition of L'Observatoire Cetelem, which examines European consumers' perceptions of the low-cost market and their appetite for the products it offers: nearly two-thirds of European households (64%) say they have foregone certain purchases over the past 12 months, while four out of ten (39%) have on occasion decided against buying day-to-day items and even fuel. Consumer spending is therefore under a great deal of pressure today, requiring tough financial choices to be made, whether that means deciding to go without or adjusting one's behaviours. Having firmly established itself in the consumer landscape, the low-cost approach can only gain ground if it fulfils its promise to deliver cut-price offerings. However, the results of this survey also signal the transformation of a market whose appeal now extends beyond low-income households. Indeed, this cut-price rationale rewards the shrewdness of consumers and clearly has a legitimate role to play in today's economies.

Clothing, food and air travel: the spearheads of the low-cost market

Awareness of the low-cost market is high among Europeans: 9 out of 10 have heard of the low-cost concept and **55% understand exactly what it is**. By some distance, Spain (82%), Portugal (81%) and Italy (80%) are the countries most familiar with the concept, in contrast to Poland, Austria and Slovakia, where less than 3 out of 10 consumers have a clear grasp of its definition. However, although **6 out of 10 Europeans are of the opinion that the low-cost market is well developed**, only 11% believe it is *very well developed*. The view that its development is advanced is held most strongly in Sweden (73%), the UK (71%) and France (70%), while this is much less the case in Central Europe (4 out of 10 respondents).

According to Europeans, clothing (66%), food (62%) and air travel (58%) are the three sectors most synonymous with the low-cost model. In fourth place is mobile telephony (53%), which reflects how successful operators have been in developing low-cost offerings in what is often a highly competitive field. Conversely, the car industry, a market in which Dacia's success caused something of a paradigm shift, is rarely associated with the low-cost concept (39%). Lidl heads the top 3 brands and retailers that people cite spontaneously, followed by Ryanair, which revolutionized the airline industry, and Aldi, the first retailer to take the low-cost route.

The low-cost market enjoys a relatively positive image in all the countries surveyed, with an average score of 6.5/10. This image **reflects the clarity of what the market has to offer**. Indeed, nearly 8 out of 10 Europeans (77%) associate the low-cost approach with low prices and minimal services. A majority see it as synonymous with **good value for money (57%), a proportion that rises to 66% among**

regular consumers of low-cost products, which would suggest that they are satisfied with what it offers.

From the lowest income groups to the most wealthy, everyone consumes low-cost products

Europeans consider price to be the most important criterion when buying a product, ahead of quality (61% vs. 39%). While all the generations place an equal emphasis on price, the differences observed between income groups are naturally much clearer: **70% of Europeans on low incomes place more importance on price than on any other criterion, compared with only 51% of those on high incomes.** With inflation soaring, and given the essential role played by price, buying low-cost products is often a way of adjusting to a tight budget. Or at least that is **the solution that 77% of Europeans would choose so as to be able to consume more**, just behind the purchase of hard-discount products (82%) and the reduction of the lowest-priority expenses (86%).

Low-cost consumption has become part of the daily lives of Europeans, almost to the point of being a natural consumer choice. **54% of the people surveyed regularly consume low-cost products**, which are particularly popular in Hungary (74%), Portugal (65%), Spain (63%) and the United Kingdom (62%), but much less so in France (41%), where the proportion of individuals who declare that they consume low-cost products is one of the lowest, along with Slovakia (39%) and the Czech Republic (33%). An income-based analysis suggests that **everyone consumes low-cost products and services**, whether their incomes are low (56%) or high (53%). There are, however, clear geographical disparities: in the West, **low-income earners say they consume more low-cost products than their wealthier peers** (59% vs. 53%), while in the East, **high-income earners are more likely to report that they have embraced the low-cost approach (54% vs. 46%).**

Low-cost consumption seems no longer to be synonymous with downgrading. Indeed, almost 3 in 4 Europeans (74%) believe that it is not demeaning to buy low-cost products. Those who do are more likely to be in the low-income category (30%) than in the high-income bracket (22%). A slight majority (55%) also view low-cost consumption as **a choice rather than a necessity, a sentiment that is much more common in more affluent households (64%)** than in those with modest resources (47%). Sweden (64%), France (59%), Spain (59%) and Portugal (59%) are the countries in which **low-cost consumption is most likely to be viewed as a choice.**

A market with strong growth potential

The low-cost market appears to be able to rely on the trust of consumers to continue on the path of growth. **Almost 4 out of 10 Europeans (39%) say they have increased their consumption of low-cost products over the last year**, while 45% consume the same amount and only 16% have reduced their consumption. The biggest rise witnessed has been in the purchase of food products, with **41% of low-cost consumers declaring that they have ramped up their spending in this sector over the last 12 months.** The market's growth prospects in the near future also appear promising: one-third of consumers (34%) **wish to continue purchasing the same volume of low-cost products, while 43% intend to buy more.**

It is clear that Europeans chiefly attribute the rise of the low-cost market to the current pressure on consumer purchasing power: **Around half of the Europeans (51%) who expect the low-cost market to grow believe that the more financial difficulties consumers face, the more they will be compelled to turn to the products and services it offers.** This view is most likely to be expressed in Hungary (63%), Austria (60%) and France (54%). **However, one-third of Europeans (33%) also believe that this growth will require consumers to refuse to pay through the nose for products whose price they consider unjustified.** It is therefore not surprising that **nearly 7 out of 10 Europeans (67%) trust low-cost brands to help preserve their purchasing power.**

In France, the low-cost model's image divides opinion

France is a country that is quite familiar with the low-cost concept, which has evidently made its mark on consumers: 63% of French respondents understand exactly what it entails, while **7 out of 10 believe that the market is well developed** (10 points above the 15-country average). **Food and air travel** are the two industries that **nearly three-quarters of French consumers (74% apiece) spontaneously** associate with the low-cost model, a proportion significantly higher than the overall average for these two sectors (62% and 58%). It is no surprise that French consumers view Lidl, easyJet and Ryanair as being the brands that best symbolise the low-cost approach. Another finding that sets France apart is the fact that the clothing/textile sector is ranked third by respondents, whereas it tops the ranking in the vast majority of countries surveyed.

While the French have a clear understanding of the low-cost market, they are even more divided than other Europeans regarding the quality of low-cost products and services: **52% state that they offer good value for money, while 48% associate them with price cutting and a poor level of quality**. As a direct consequence, the image the low-cost model enjoys in France is the most lukewarm of all the European countries: **it returns one of the lowest image scores in the survey, at 5.9/10**, compared with an overall average of 6.5/10 in Europe. Meanwhile, the **level of satisfaction expressed by low-cost consumers** sits just below the average, at 6.6/10.

The French are **less likely than other populations to favour low-cost products (41% vs. 54% on average)**, a result that varies very little according to income (42% in the low-income group and 40% in the case of high earners). A majority of these consumers do so **by choice rather than necessity** (59% vs. 41%) and **70% do not consider such purchases to be demeaning**. Although the French are less likely than average to state that they expect their consumption of low-cost products to increase (37% vs. 43%), more than half (54% vs. 51%) believe that this market has strong potential in a climate where more and more consumers are falling prey to financial pressures.

“Long gone are the days when the low-cost market was seen as the poor relation of consumerism, one disdainfully ignored by established brands and retailers, patronised mainly by households with limited budgets. Not only has it successfully made its mark in many sectors, in some cases to the point of setting the standard, it has also been able to adapt locally to attract more customers from across the social spectrum. “While the low-cost market still has significant scope for growth, it must not forget its roots and what originally defined it. In other words, it must remain faithful to its cut-price DNA,” concludes Flavier Neuvy, Head of L’Observatoire Cetelem.

[Download the full survey](#)

Methodology:

Quantitative consumer interviews were conducted by **Harris Interactive on 3-16 November 2022** in **15** European countries: Austria, Belgium, Bulgaria, Czech Republic, France, Germany, Hungary, Italy, Poland, Portugal, Romania, Slovakia, Spain, Sweden and the United Kingdom. In total, **14,200 individuals** were interviewed online (CAWI method). These individuals aged 18 to 75 were drawn from national samples representative of each country. The quota method was employed to ensure that the sample was representative (gender, age, region of residence, socio-professional category/income). **3,000** interviews were conducted in France and **800** in each of the other countries.

About L'Observatoire Cetelem

Founded in 1985 and headed by Flavien Neuvy, the Observatoire Cetelem is an economic research and intelligence unit of BNP Paribas Personal Finance.

Its mission is to observe, highlight and interpret shifts in consumption patterns in France and abroad. To fulfil this ambition, the Observatoire Cetelem has set up a range of tools that rely on diverse and complementary content, including:

- The Observatoires: Two highly respected annual surveys conducted internationally: a worldwide survey on the automotive market (18 countries) and a European survey on consumer trends (15 countries).
- The zOOM reports, which focus on lifestyles and explore major themes ("The French and their finances", "Food at a time of tough financial choices", etc.) in three stages, by seeking the opinion of French consumers via three-wave surveys.

For more information and to access all our surveys free of charge, visit the Observatoire Cetelem website | @obs_cetelem

Press contact: Rumeur Publique

Léo Chompré | leo.chompre@rumeurpublique.fr | +33 6 14 35 41 74

Marie Goislard | marieg@rumeurpublique.fr | +33 6 21 23 37 75